



Mogale City

Local Municipality

ANNEXURE 2

**MOGALE CITY
LOCAL MUNICIPALITY**

**MUNICIPAL PROPERTY RATES
BY-LAWS**

2016-17

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MOGALE CITY LOCAL MUNICIPALITY

PROPERTY RATES POLICY BY LAWS

1. LEGISLATIVE CONTEXT

- 1.1 Whereas Section 6 of the Municipal Property Rates Act, 2004(No. 6 of 2004) requires a Municipality to adopt by-laws to give effect to the implementation of its Property Rates Policy.
- 1.2 Whereas Section 13 of the Municipal Systems Act read together with Section 162 of the Constitution requires a municipality to promulgate municipal by-laws by publishing them in the Gazette of the relevant province.
- 1.3 Whereas Section 229(1) of the constitution requires a municipality to impose property rates and surcharges on fees for services provided by or on behalf of the municipality
- 1.4 Whereas Section 6 (2) of the Municipal Rates Act, require bylaws adopted in terms of Section 6 (1) to differentiate between different categories of properties, and different categories of owners of properties liable for payment of rates.

2. DEFINITIONS

- 2.1 “**Act**” means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
- 2.2 “**Municipality**” means Mogale City Local Municipality
- 2.3 “**Rates Policy**” means the policy on the levying of rates on rateable properties of Mogale City Local municipality, as contemplated in chapter 2 of the Municipal Property Rates Act.
- 2.4 “**Category**” means the category in relation to properties for the purpose of levying different rates, and category in relation to owners of properties for the purpose of granting exemptions, rebates and reductions.
- 2.5 “**Constitution**” means the Constitution of the Republic of South Africa, (Act No 108 of 1996), as amended;
- 2.6 “**Business**” in relation to property, means the use of property for the activity of buying, selling or trading in commodities or services on a property and includes any office or other accommodation on the same property, the use of which is incidental to such activity, but does not include the business of agriculture, farming, or any other business consisting of the cultivation of soils, the gathering in of crops, the rearing of livestock or the propagation and harvesting of fish or other aquatic organisms;



- 2.7 **"Public Service Purposes"** in relation to property, means the property owned and used by an organ of state, excluding farm properties used for residential or agricultural purposes or not in use;
- 2.8 **"Municipal Finance Management Act"** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), as amended;
- 2.9 **"Municipal Property Rates Act"** means Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
- 2.10 **"Municipal Structures Act"** means the Local Government: Municipal structures Act, (Act No. 117 of 1998), as amended;
- 2.11 **"Municipal Valuer"** means a person designated as Municipal Valuer by the Municipality in terms of Section 33 of the Municipal Property Rates Act.
- 2.12 **"Owner"** means the owner as defined in Section 1 of the Municipal Property Rates Act;
- 2.13 **"Rates"** means municipal rate on property envisaged in Section 229 (1) (a) of the Constitution.

3. OBJECTIVE

The object of this by-law is to give effect to the implementation of the Rates Policy as contemplated in Section 6 of the Municipal Property Rates Act.

4. ADOPTION AND IMPLEMENTATION OF THE RATES POLICY

- 4.1 The municipality shall adopt and implement its Rates Policy consistent with the Municipal Property Rates Act on levying of rates on rateable properties within the jurisdiction of the municipality; and
- 4.2 The Municipality shall not be entitled to levy property rates other than in terms of its Property Rates policy.

5. CONTENTS OF THE RATES POLICY

The Rates Policy shall, inter alia:

- 5.1 Apply to all rates levied by the Municipality pursuant to the adoption of its annual budget:
- 5.2 Comply with the requirements for:
- 5.2.1 the adoption and contents of Property Rates Policy specified in section 3 of the Act
- 5.2.2 the process of community participation specified in section 4 of the Act: and

5.2.3 the annual review of the Property Rates Policy specified in Section 5 of the Act.

- 5.3 Provide for principles, criteria and implementation measures that are consistent with the Municipal Property Rates Act for levying of rates which the Council may adopt; and
- 5.4 Provide for the enforcement mechanisms that are consistent with the Municipal Property Rates Act and the Local Government: Municipal Systems Act, (Act. 32 of 2000)

6. CATEGORIES OF PROPERTIES

Categories of rateable property for purposes of levying differential rates are in terms of Section 8 (2) of the Municipal Rates Act, determined as follows:

- 6.1 Residential properties;
- 6.2 Industrial properties;
- 6.3 Business and commercial properties;
- 6.4 Agricultural properties (including small holdings)
- 6.5 Mining properties
- 6.6 Public service infrastructure referred to in the Act
- 6.7 Properties used for public service
- 6.8 Vacant stands
- 6.9 Multiple use purpose
- 6.10 Public Benefit Organisation
- 6.11 Private Open Space

7. EXEMPTION OF OWNERS OF PROPERTIES

A municipality may in terms of the criteria as set out in its rates policy –

- a. Exempt a specific category of owners of properties, or the owners of a specific category of properties, from payment of rates levied on their property; or
- b. Grant to a specific category of owners of properties, or the owners of a specific category of properties, a rebate on or a reduction in rates payable in respect of their properties.

8. CATEGORIES OF OWNERS OF PROPERTIES

Mogale City has determined in its rates policy, the following categories of owners of property:

- a. Indigents
- b. Retired and Physically and Mentally disabled
- c. Public Benefit Organisations
- d. Child Headed Families
- e. Disaster-hit property owners
- f. Residential property owners

9. LIABILITY FOR RATES

- a. Levying of rates on property will be effected in terms of the Municipality's Rates Policy as amended from time to time.
- b. The Municipality will, as part of annual operating budget process, determine a rate in a rant to be levied on the market value of the property in every category of properties.

10. ENFORCEMENT OF THE RATES POLICY

The Municipality's Rates Policy shall be enforced through the Credit Control and Debt Collection Policy and any further enforcement mechanisms stipulated in the Act and the Municipality's Rates Policy.

11. SHORT TITLE

- 11.1 These By-laws may be cited as The Municipal Property Rates By-laws.
- 11.2 These By-laws shall come into operation on the date on which they are published in the Gazette.